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SUBJECT: BOSNIA: THE NEW COUNCIL OF MINISTERS

REF: SARAJEVO 0063

¶11. (U) Following is biographic information on the new BiH Council of Ministers, confirmed by the BiH House of Representatives on February 9. Details of the parliamentary session will be reported septel.

MINISTER OF FOREIGN AFFAIRS
SVEN ALKALAJ (Sven AL-ka-lye), SBiH

¶12. (SBU) Born November 11, 1948 in Sarajevo, Alkalaj graduated from the Sarajevo Faculty of Mechanics in 1974 and obtained his Master's degree in 1987 from Sarajevo University with a specialization in International Relations and Economics. In 1999, he earned a PhD in Corporate Finance via the Executive Development Program at Harvard Business School. Alkalaj began his career as a commercial manager for the Petroinvest company in 1975. In 1985, he was appointed regional manager for the Middle and Far East for Energoinvest, at that time the biggest company in South-East Europe. From 1988-94 he was Managing Director of Energoinvest in Thailand.

¶13. (SBU) Alkalaj probably would have remained a successful businessman if he had not met Haris Silajdzic. Silajdzic persuaded Alkalaj to join the fledgling Bosnian Government in 1994 and appointed him Ambassador to the U.S. In 1994, Alkalaj took up his first diplomatic posting as Bosnian Ambassador to the United States. He remained in that position until 2000, when he became the Bosnian Ambassador to the Organization of American States. In February 2004, he was appointed Ambassador to the Kingdom of Belgium and Head of the Bosnian Mission to NATO. Over the past ten years, Alkalaj has proved himself a skilled diplomat. For many years he was the only Jew in the Bosnian MFA.

¶14. (SBU) During his tenure as Ambassador in Washington, Alkalaj established excellent relations with many members of Congress and Senators, especially Joe Lieberman, Carl Levin and Joseph Biden, with whom he has maintained personal friendships. He is married with two children.

MINISTER OF DEFENSE
SELMO CIKOTIC (SELL-mow TSEE-ko-tich), SDA

¶15. (SBU) NOTE: Although confirmed by the HoR February 9, Cikotic will not assume his duties as defense minister until

April 22, 2007, because of a regulation that three years must elapse from his retirement from active military duty before he can take up a civilian position in the MoD. END NOTE. General Selmo Cikotic (ret.) was born January 25, 1964 in Ivangrad, Montenegro. He began his military career in the former JNA (Yugoslav National Army), graduating from the military academy with a specialization in artillery in Zadar (Croatia) in 1986. Cikotic completed English language training while in the JNA and obtained a master's degree in defense and security studies from Sarajevo University in 2005.

¶6. (SBU) During the war in Bosnia and Herzegovina (1992-1995) Cikotic served in the BiH Army in several capacities: In 1992 he was the commanding officer of BiH Army units in Sarajevo, and worked as the BiH Army Joint Command Liaison Officer to UNPROFOR in Sarajevo. At the end of 1992, he transferred to the BiH Army 3rd Corps in Zenica, where he worked in the Corps headquarters. From March 1993 until April 1994 he was Commander of Tactical Group West. From April 1994 until December 1994, Cikotic was Deputy Commander of the BiH Army 7th Corps, stationed in Travnik. He was promoted to the rank of brigadier general on September 22, 1994. Following his promotion, Cikotic served as the military attache at the Bosnian Embassy in Washington until June 1997.

¶7. (SBU) Upon his return to Sarajevo in 1997, Cikotic was appointed Federation Army Chief of Department for training, education, doctrine and practice. He remained in that position until January 1999. From January 1999 until April 2000, Cikotic was Chief of Cabinet for the Deputy Minister of Defense in the Federation, after which he served as Deputy Commander of the 1st Corps of the Federation Army.

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¶8. (SBU) In 2004, Cikotic was selected as a candidate for the position of Commander of BiH Army Joint Command (Chairman of the Joint Chiefs of Staff). At the time, allegations that Cikotic had participated in war crimes in Bugojno led SFOR to prevent his appointment, and Cikotic was forced to retire from active duty. In 2005, following an investigation into the war crimes allegations, both ICTY and NATO cleared Cikotic. ICTY and NATO stated that there was no evidence that Cikotic was involved in the commission of war crimes and ICTY confirmed there was no further ICTY investigation into his wartime actions. As a result, the then-NATO Commander in BiH, General Steven Schook, officially rehabilitated Cikotic and apologized for having removed him from office. Cikotic is married with two children. He speaks excellent English, and has a basic knowledge of Russian. His hobbies are shooting, swimming, skiing and reading.

MINISTER OF CIVIL AFFAIRS
SREDOJE NOVIC (SRE-doe-yay NO-vich), SNSD

¶9. (SBU) Born February 14, 1947 in Donji Detlak, Derventa Municipality (Republika Srpska), Novic is a lawyer by profession, with a master's degree. This pre-war resident of Sarajevo now lives in Banja Luka. Novic is married with two grown children. One of his daughters allegedly works for the Serbian intelligence service.

¶10. (SBU) From October 2002 until his confirmation as minister, Novic served as Director of the State Protection and Investigation Agency (SIPA), although his reappointment to that position in May 2005 was controversial. While many had hoped Novic would use his substantial security sector experience to get SIPA up and running quickly and effectively, his overall performance was disappointing. There were external bureaucratic delays in filling SIPA's ranks, but rumors have circulated that Novic's political backers were not interested in a strong SIPA, which would reduce the power of the Republika Srpska police.

¶11. (SBU) Previously, Novic worked as lawyer in Banja Luka (June 2001-October 2002), as Minister of the RS Ministry of Interior (November 1998-January 2001), as head of the RS Intelligence Service (January-November 1998), and as commercial director in Unis-Adria Banja Luka, a private food production and sales company (1992-1996). During the same period (1992-1996) he worked as a lecturer at the Criminal Law and Criminal Sciences School for Internal Affairs of Republika Srpska in Banja Luka.

¶12. (SBU) Before the war, Novic was head of intelligence in the former Yugoslav Republic of BiH. At that time this function was called "Under Secretary of the Republic of Bosnia and Herzegovina State Security Service." He served in that position from 1988 to 1991. He retired officially in 1991, when he refused to join the Serb Democratic Party (SDS) and support their activities that led to the outbreak of war in 1992. He did move to Banja Luka, but did not participate in wartime atrocities committed by Serb security forces. His professional future did not look bright after the war as a result. However, Novic re-emerged after Biljana Plavsic became RS president and Milorad Dodik RS PM and Novic was named RS Minister of Interior.

¶13. (SBU) Novic's mandate as RS Minister of Interior ended when Mladen Ivanic was elected RS Prime Minister in 2000. However, Novic was appointed head of SIPA over the objections of Serb member of the BiH Presidency at the time, Zivko Radicic, who was swayed by allegations by the RS Chief Auditor that Novic had embezzled 3 million KM in connection with the construction of the building that houses the RS Ministry of Interior. The case was never brought to trial. The former director of the RS Tax Administration (a close Ivanic associate), accused Novic of giving legal advice to companies involved in money laundering. There also were unsubstantiated media reports that Novic facilitated the movement and protection of Radovan Karadzic during his term as RS Interior Minister.

MINISTER OF JUSTICE
BARISA COLAK (BEAR-ee-sa CHO-lak), HDZ-BiH

¶14. (SBU) Barisa Colak was born January 1, 1956 in Siroki Brijeg, West Herzegovina. He completed high school in

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Mostar, where he also completed law school and was admitted to the bar. Colak began his career at the Mostar City Court, where he later served as a judge from 1988-92. When the war broke out and Bosnian Croats created the Republic of Herzeg-Bosnia in 1992, Colak was appointed its minister of justice. After the 1994 Washington Agreement established cantons as sub-state organizational units, Colak was appointed Minister of Justice in the newly formed Herzegovina-Neretva Canton. From 1996-1998, he served as the cantonal Prime Minister. At the 1998 general elections, Colak was elected to the Federation House of Representatives. After serving only two years of the four year mandate, he left the House to become the Federation Minister of Justice.

¶15. (SBU) From 2000-2002 Colak proved himself to be a loyal party soldier, obeying the orders of the HDZ party leadership and joining them in a boycott of state-level institutions as part of the "Croat Self-Rule" (third entity) movement. In 2002, after OHR and the international community removed Ante Jelavic as president of the HDZ and barred him from public office, Colak, with the support of the powerful Dragan Covic, became HDZ president. Following the 2002 general elections, Colak was appointed BiH Minister of Security. He retained his position as HDZ President until 2005, when Dragan Covic came out of the shadows and officially took over leadership of the party. Far from being upset that Covic took over, Colak appeared relieved to be out of the presidency position. Colak is not a strong politician, and his tenure as Minister

of Security was unimpressive. He seemed to be mostly a figurehead as minister, with all of the important work being done by his capable assistant minister Vjekoslav Vukovic.

¶16. (SBU) Colak is quiet and reserved. Sent as a stand-in for Covic to the Dayton Anniversary celebrations in November 2005 (Covic was under indictment and so not invited), Colak was visibly uncomfortable when asked to sign a declaration committing to move forward with constitutional reform. When he tried to reach Covic by telephone, Covic was conveniently unavailable, leaving Colak hanging and backed into a corner. After much prodding by U.S. officials, Colak finally agreed to sign the declaration, but only after Croat Tri-Presidency member Ivo Miro Jovic (also of HDZ) agreed to sign as well, providing the political cover Colak needed. Colak is married with two children. He does not speak English.

MINISTER OF HUMAN RIGHTS AND REFUGEES
SAFET HALILOVIC (SAH-fet ha-LEEL-o-vich), SBiH

¶17. (SBU) Safet Halilovic, most recently the BiH Minister of Civil Affairs, replaced SBiH's founder and President Haris Silajdzic, at the April 2003 party congress. He stepped down upon Silajdzic's return to politics in early 2006. Halilovic was a member of the SDA during the war, but left the party to join Silajdzic in 1996. For four years, Halilovic was secretary general of the party. He served as minister of

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education in the Sarajevo Canton government from 1998-2000. In 2000, Halilovic became chairman of the collective party presidency. From 2000-02 he served as Federation President and Vice-President. He is a professor at the Faculty of Political Science at the Univrstry of Sarajevo.

¶18. (SBU) Halilovic participated in the U.S. sponsored constitutional reform negotiations starting in late 2005. He attended the Dayton Anniversary in Washington in November 2005, and signed the pledge, along with all other party leaders, that he and his party would strive to reach consensus on changes to the BiH constitution. Upon his return to Sarajevo, however, Halilovic staked out maximalist positions, including: BiH without entities, BiH with a single president directly elected nationwide from one electoral unit, BiH with a single parliament directly elected, no House of Peoples, etc. By the time the parties took up the most contentious issue, entity voting, Halilovic had withdrawn from the talks and had begun actively undercutting the process in the press.

MINISTER OF SECURITY
TARIK SADOVIC (TAH-reek SAHD-o-vich), SDA

¶19. (SBU) Tarik Sadovic was born in Trebinje (now part of the Republika Srpska) in 1956. After completing secondary school in Trebinje, he pursued a degree at the Faculty of Architecture in Sarajevo. From 1981-92, Sadovic worked in

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Trebinje as an engineer, designer, and director of a design office. He also worked part time as a professor in the Secondary School of Architecture in Trebinje. Sadovic remained in Sarajevo during the war and afterwards continued designing buildings in Sarajevo. He also worked as head of the office for resolving the status problems of refugees and displaced persons. Before the war, Sadovic worked as volunteer President of the Council of Local Communities in the Municipal Assembly of Trebinje. An active SDA member, Sadovic has maintained a strong presence on the political scene in Trebinje and in the RS National Assembly. Sadovic has been member of SDA since 1996. From 2000-02, he was an analyst and political associate in the SDA head-office in Sarajevo. He has been a member of the SDA Main Board since 2001 and a member of SDA Presidency since 2005.

¶20. (SBU) From 1997-1999 and from 2000-04 Sadovic was an SDA councilor in the local Trebinje Assembly. From 1998-2006 he served as an SDA delegate in the RS National Assembly, and from 2003-06 he was Head of the SDA Caucus in RS National Assembly. During his political career in Trebinje as local assembly council member, Sadovic showed a significant level of courage, especially during his first mandate, when Trebinje was an SDS stronghold. He pressed for the provision of security to all citizens, the reconstruction of destroyed religious facilities, and the return of property to pre-war owners to help the return of the expelled Bosniak community.

¶21. (SBU) As Head of the Bosniak Caucus in the RSNA, Sadovic was active in expressing his views on difficult issues, but remained open to discussions with his political opponents. Given his SDA role, Sadovic supports the idea of Bosnia-Herzegovina as a multi-ethnic home for all citizens and is a strong supporter of SDA President Sulejman Tihic. Sadovic is married with two children. He understands English well, although he is not comfortable speaking it. The Embassy has enjoyed excellent cooperation with him over many years, and sent him on an IVP program in January 2006.

MINISTER OF TRANSPORT AND COMMUNICATIONS
BOZO LJUBIC (BO-zho LYOO-bich), HDZ-1990

¶22. (SBU) Ljubic was born September 30, 1949 and is an orthopedist by profession. He currently is a professor at the Medical School of Mostar University (West) and the President of HDZ 1990. Ljubic was a member of the Croatian Democratic Union of Bosnia and Herzegovina (HDZ BiH) for many years before he came to prominence when in June 2005 he opposed the internal election of Dragan Covic to the party presidency, claiming election fraud. In April 2006, the rift between Ljubic and party leaders escalated, and he led the formation of HDZ 1990. The new party was welcomed by the Roman Catholic Church and the president of the Croatian Democratic Union (HDZ) (and Croatian PM) Ivo Sanader. Ljubic was the HDZ 1990 candidate for the Croat seat in the state Tri-Presidency, but came in third with 18 percent of the vote, after both Zeljko Komsic of SDP and Ivo Miro Jovic of HDZ BiH.

¶23. (SBU) In 1998, Ljubic was the handpicked choice of HDZ President Franjo Tudjman to lead the Bosnian wing of the party. But Ljubic was bested by the "generals' lobby" of the HDZ which defied Tudjman and instead elected Ante Jelavic as HDZ-BiH president. After the breakdown of the Croat Self-Rule (third entity) movement, Ljubic headed an HDZ team tasked with negotiating the return of the HDZ officials to Federation institutions.

¶24. (SBU) In 2005, when Ljubic again sought the presidency of HDZ but lost to Covic, he filed a complaint with the BiH Election Commission alleging the party election was fixed. Ljubic and several of his supporters eventually were ejected from the party in late 2005.

MINISTER OF FINANCE
DRAGAN VRANKIC (DRAH-gahn VRAN-kich), HDZ-BiH

¶25. (SBU) Dragan Vrankic became Minister of Finance and the Deputy Prime Minister of the Federation in 2003. Vrankic was selected to fill this post by Dragan Covic, the HDZ president. Covic valued his assistance when he served as the cantonal Minister of Finance in Mostar in the late nineties, a period during which the HDZ political elite allegedly

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conducted many illegal privatization deals.

¶26. (SBU) Vrankic was born in 1955 in Capljina, Herzegovina. He received a bachelor's degree in economics from the

University of Dubrovnik. Before the war, Vrankic worked in Energoinvest company's branch office in Capljina. During the war, Vrankic was a municipal official in Capljina, where he served under the leadership of Pero Markovic, one of the most notorious hardliners in the HDZ. The Capljina municipality was ethnically cleansed of all Bosniaks and Serbs, with many detained in Dretelj concentration camp.

¶27. (SBU) After the war, Vrankic served as Deputy Minister of Finance and then as Minister of Finance in the government of Herzegovina Neretva Canton (from 1996 to 2000). Many suspicious privatization deals involving the HDZ leadership, including the privatization of the Mostar Aluminum plant, Eronet mobile network, hotel "Ero" in Mostar and the Soko aviation industry, all took place during Vrankic's mandate. He claimed that it was all done in accordance with existing laws. He has never faced a formal investigation of his activities during that period. Following the 2000 general elections, Vrankic served as Governor of the Herzegovina-Neretva Canton and supported the "Croat Self-rule" movement of HDZ President Ante Jelavic.

¶28. (SBU) In 2003, Vrankic became the Federation Minister of Finance, officially responsible for the functioning of the Federation Financial Police. Vrankic made no secret of the fact that he wanted to overhaul the Financial Police, the institution that had investigated his party patron Dragan Covic. Vrankic attempted to effect change by replacing the director and chief inspector with party loyalists. The plan did not work, largely because of the strong backing of the Financial Police by the USG. Vrankic does not speak English.

MINISTER OF FOREIGN TRADE
SLOBODAN PUHALAC (slow-BOW-dahn poo-HALL-ats), SNSD

¶29. (SBU) Born on November 11, 1941 in Visegrad (now part of Republika Srpska), Puhalac completed elementary and high school in Visegrad and graduated from the Faculty of Agriculture of the University of Sarajevo. He began his career at the "Plantaze" company in Bosanka Gradiska in 1975. From 1979-84, Puhalac worked for the World Bank, advising agricultural producers in Yugoslavia. In 1992, he became general manager of the "Poljexport" company, which went public in 2002. He now is the owner and general manager. Puhalac would likely have stayed out of politics altogether if he had not been heavily recruited by RS PM Dodik and BiH PM Spiric to become minister of foreign trade. Puhalac lives in Laktasi (Dodik's hometown) with his wife and son.

MCELHANEY